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LOUISIANA EXAMINERS OF NURSING FACILITY ADMINISTRATORS

**DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**For the year ended
June 30, 2009**

(With Accountant's Report Thereon)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/9/09

LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2009

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MICHAEL K. GLOVER

Certified Public Accountant

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

Independent Accountant's Report

Louisiana Board of Examiners of Nursing Facility Administrators

State of Louisiana

Baton Rouge, LA

I have reviewed the accompanying Division of Administration, Office of Statewide Reporting and Accounting Policy's Annual Fiscal Report (AFR) of the business type activities of the Louisiana Board of Examiners of Nursing Facility Administrators, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the Louisiana Board of Examiners of Nursing Facility Administrators basic financial statements as listed under statements in the table of contents in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements reported in the AFR are the representation of the management of Louisiana Board of Examiners of Nursing Facility Administrators.

My review was conducted in accordance with Statement on Standards for Accounting and Review Services established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consist principally of inquiries of the Louisiana Board of Examiners of Nursing Facility Administrators personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determine is required to supplement, although not required to be part of, the basic financial statements.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated August 7, 2009, on the results of our agreed-upon procedures.



August 7, 2009

MICHAEL K. GLOVER

Certified Public Accountant

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Independent Accountant's Agreed-Upon Procedures Report

To the Louisiana Board of Examiners of Nursing Facility Administrators

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Louisiana Board of Examiners of Nursing Facility Administrators and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about of the Louisiana Board of Examiners of Nursing Facility Administrators compliance with certain laws and regulations during the year ended June 30, 2009, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law) or R.S. 39:1551-39:1755 (the state procurement code, whichever is applicable).

No expenditures were made during the year for materials or supplies that exceeding \$20,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

A list was obtained from management of active board members and employees immediate family members including their outside interest, if any.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (in agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

I observed the adoption of the original budget that was approved by the board. There were no amendments to the budget for the year.

6. Trace the budget adoption and amendments to the minute book. Comparing the expenditures of the final budget to actual expenditure to determine if actual expenditure exceed budgeted amount by 10% or more per category or 5% or more in total.

I compared the actual expenditures to the budgeted and determined that expenditures exceed the budget by 58%. (Finding 2009-1 Budget)

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the six payments were properly coded to the correct general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:13 (the open meetings law).

The Louisiana Board of Examiners of Nursing Facility Administrators is required to post a notice of each meeting and the accompanying agenda on the door of the Boards office building. Management has asserted that such documents were properly posted and I find evidence supporting such assertion.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

After examining the bank deposits there was no indication of any deposits being proceeds of bank loans, bonds or any other like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

A reading of the minutes of the Board for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Prior year finding and comments:

My prior year report dated August 27, 2008, included the following two findings:

Finding 2008-01

Finding - A budget was approved by the board where total expenditures exceeded the total estimated funds available for the fiscal year 2007-2008. This is in violation of RS 39:1305 E.

Comment - The budget for the year 2008 – 2009, was prepared in accordance with RS 39:1305E, showing anticipated surplus funds

Finding 2008-02

Finding – After inspection of the bank statements and the minutes, it was determined that the agency approved and borrowed \$45,000 from a financial institution for 90 days without the consent of the State Bond Commission as required by RS 39:1410.60 – 1410.65. These funds were used for the general operating requirements of the Agency for the fiscal year 2007-2008.

Comment - The loan was paid off and the licenses fees were increased to avoid any further violations.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Louisiana Board of Examiners of Nursing Facility Administrators and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "Michael K. Brown". The signature is written in a cursive, flowing style.

August 7, 2009

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

7/7/2009 (Date Transmitted)

MICHAEL K. GLOVER, APAC
9497 BROOKLINE
BATON ROUGE, LA 70807

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [☒] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes [☒] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [☒] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [☒] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

7/1/09 Date Mark G. Hunt, EXECUTIVE DIRECTOR Secretary 7-1-09
Ray A. Nagle Date 07/02/09 Treasurer
Mark Hunt Date 7/7/2009 President

STATE OF LOUISIANA

Statement A

LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS

BALANCE SHEET

AS OF JUNE 30, 2009

ASSETS

CURRENT ASSETS:

| | |
|---|------------|
| Cash and cash equivalents | \$ 161,619 |
| Investments | |
| Receivables (net of allowance for doubtful accounts) (Note U) | 24,798 |
| Due from other funds (Note Y) | |
| Due from federal government | |
| Inventories | |
| Prepayments | |
| Notes receivable | |
| Other current assets | |
| Total current assets | 186,417 |

NONCURRENT ASSETS:

| | |
|---|------------|
| Restricted assets (Note F): | |
| Cash | |
| Investments | |
| Receivables | |
| Investments | |
| Notes receivable | |
| Capital assets (net of depreciation) (Note D) | |
| Land | 27,300 |
| Buildings and improvements | 137,763 |
| Machinery and equipment | 5,464 |
| Infrastructure | |
| Construction-in-progress | |
| Other noncurrent assets | |
| Total noncurrent assets | 170,527 |
| Total assets | \$ 356,944 |

LIABILITIES

CURRENT LIABILITIES:

| | |
|--|----------|
| Accounts payable and accruals (Note V) | \$ 9,541 |
| Due to other funds (Note Y) | |
| Due to federal government | |
| Deferred revenues | 188,380 |
| Amounts held in custody for others | |
| Other current liabilities | |
| Current portion of long-term liabilities: (Note K) | |
| Contracts payable | |
| Compensated absences payable | |
| Capital lease obligations | |
| Claims and litigation payable | |
| Notes payable | 3,608 |
| Bonds payable | |
| Other long-term liabilities | |
| Total current liabilities | 201,529 |

NONCURRENT LIABILITIES: (Note K)

| | |
|-------------------------------|---------|
| Contracts payable | |
| Compensated absences payable | 13,367 |
| Capital lease obligations | |
| Claims and litigation payable | |
| Notes payable | |
| Bonds payable | |
| OPEB payable | 158,955 |
| Other long-term liabilities | |
| Total noncurrent liabilities | 172,322 |
| Total liabilities | 373,851 |

NET ASSETS

| | |
|---|------------|
| Invested in capital assets, net of related debt | 166,919 |
| Restricted for: | |
| Capital projects | |
| Debt service | |
| Unemployment compensation | |
| Other specific purposes | |
| Unrestricted | (183,826) |
| Total net assets | (16,907) |
| Total liabilities and net assets | \$ 356,944 |

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

Statement B

| | |
|---|-------------------|
| OPERATING REVENUES | |
| Sales of commodities and services | \$ _____ |
| Assessments | _____ |
| Use of money and property | _____ |
| Licenses, permits, and fees | _____ 311,485 |
| Other | _____ 179,164 |
| Total operating revenues | _____ 490,649 |
| OPERATING EXPENSES | |
| Cost of sales and services | _____ |
| Administrative | _____ 474,872 |
| Depreciation | _____ 5,520 |
| Amortization | _____ |
| Total operating expenses | _____ 480,392 |
| Operating income(loss) | _____ 10,257 |
| NON-OPERATING REVENUES(EXPENSES) | |
| State appropriations | _____ |
| Intergovernmental revenues(expenses) | _____ |
| Taxes | _____ |
| Use of money and property | _____ 311 |
| Gain on disposal of fixed assets | _____ |
| Loss on disposal of fixed assets | _____ |
| Federal grants | _____ |
| Interest expense | _____ (718) |
| Other revenue | _____ |
| Other expense | _____ |
| Total non-operating revenues(expenses) | _____ (407) |
| Income(loss) before contributions, extraordinary items, & transfers | _____ 9,850 |
| Capital contributions | _____ |
| Extraordinary item - Loss on impairment of capital assets | _____ |
| Transfers in | _____ |
| Transfers out | _____ |
| Change in net assets | _____ 9,850 |
| Total net assets – beginning | _____ 59,843 |
| Prior period adjustment | _____ (86,600) |
| Total net assets – ending | \$ _____ (16,907) |

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Statement C

See Appendix B for instructions

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets |
|--|-------------------|-------------------------|--|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Entity | \$ <u>481,110</u> | \$ <u>490,649</u> | \$ <u> </u> | \$ <u> </u> | \$ <u>9,539</u> |
| General revenues: | | | | | |
| Taxes | | | | | |
| State appropriations | | | | | |
| Grants and contributions not restricted to specific programs | | | | | |
| Interest | | | | | <u>311</u> |
| Miscellaneous | | | | | |
| Special items | | | | | |
| Extraordinary item - Loss on impairment of capital assets | | | | | |
| Transfers | | | | | |
| Total general revenues, special items, and transfers | | | | | <u>311</u> |
| Change in net assets | | | | | <u>9,850</u> |
| Net assets - beginning as restated | | | | | <u>59,843</u> |
| Prior period adjustment | | | | | <u>(86,600)</u> |
| Net assets - ending | | | | | \$ <u>(16,907)</u> |

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
(continued)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Statement D

Cash flows from operating activities

| | | |
|---|------------|---------|
| Cash received from customers | \$ 507,052 | |
| Cash payments to suppliers for goods and services | (170,422) | |
| Cash payments to employees for services | (151,517) | |
| Payments in lieu of taxes | | |
| Internal activity-payments to other funds | | |
| Claims paid to outsiders | | |
| Other operating revenues(expenses) | | |
| Net cash provided(used) by operating activities | | 185,113 |

Cash flows from non-capital financing activities

| | | |
|---|----------|-----------|
| State appropriations | | |
| Federal receipts | | |
| Federal disbursements | | |
| Proceeds from sale of bonds | | |
| Principal paid on bonds | | |
| Interest paid on bond maturities | | |
| Proceeds from issuance of notes payable | | |
| Principal paid on notes payable | (24,231) | |
| Interest paid on notes payable | (718) | |
| Operating grants received | | |
| Transfers in | | |
| Transfers out | | |
| Other (Prior period adjustment for OPEB liability) | (86,600) | |
| Net cash provided(used) by non-capital financing activities | | (111,549) |

Cash flows from capital and related financing activities

| | | |
|---|--|---|
| Proceeds from sale of bonds | | |
| Principal paid on bonds | | |
| Interest paid on bond maturities | | |
| Proceeds from issuance of notes payable | | |
| Principal paid on notes payable | | |
| Interest paid on notes payable | | |
| Acquisition/construction of capital assets | | |
| Proceeds from sale of capital assets | | |
| Capital contributions | | |
| Other | | |
| Net cash provided(used) by capital and related financing activities | | - |

Cash flows from investing activities

| | | |
|--|-----|-----|
| Purchases of investment securities | | |
| Proceeds from sale of investment securities | | |
| Interest and dividends earned on investment securities | 311 | |
| Net cash provided(used) by investing activities | | 311 |

| | | |
|---|----|---------|
| Net increase(decrease) in cash and cash equivalents | | 73,875 |
| Cash and cash equivalents at beginning of year | | 87,744 |
| Cash and cash equivalents at end of year | \$ | 161,619 |

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule of noncash investing, capital, and financing activities:

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

| | | |
|---|----------|---------|
| Operating income(loss) | \$ | 10,257 |
| Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities: | | |
| Depreciation/amortization | 5,520 | |
| Provision for uncollectible accounts | | |
| Other | | |
| Changes in assets and liabilities: | | |
| (Increase)decrease in accounts receivable, net | 16,403 | |
| (Increase)decrease in due from other funds | | |
| (Increase)decrease in prepayments | | |
| (Increase)decrease in inventories | | |
| (Increase)decrease in other assets | | |
| Increase(decrease) in accounts payable and accruals | (51) | |
| Increase(decrease) in compensated absences payable | 4,449 | |
| Increase(decrease) in due to other funds | | |
| Increase(decrease) in deferred revenues | (10,420) | |
| Increase(decrease) in OPEB payable | 158,955 | |
| Increase(decrease) in other liabilities | | |
| Net cash provided(used) by operating activities | \$ | 185,113 |

| | | |
|---|----|---|
| Borrowing under capital lease(s) | \$ | |
| Contributions of fixed assets | | |
| Purchases of equipment on account | | |
| Asset trade-ins | | |
| Other (specify) | | |
| | | |
| | | |
| | | |
| Total noncash investing, capital, and financing activities: | \$ | - |

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2009

INTRODUCTION

The Louisiana Board of Examiners of Nursing Facility Administrators was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37.2501. The following is a brief description of the operations of Louisiana Board of Examiners of Nursing Facility Administrators Louisiana Board of Examiners of Nursing Facility Administrators and includes the parish/parishes in which the Board is located.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Board of Examiners of Nursing Facility Administrators present information only as to the transactions of the programs of the Louisiana Board of Examiners of Nursing Facility Administrators as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Board of Examiners of Nursing Facility Administrators are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Board of Examiners of Nursing Facility Administrators are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2009

| | | |
|--------------------------|----|-----------------------|
| | | <u>APPROPRIATIONS</u> |
| Original approved budget | \$ | 358,646 |
| Amendments: | | |
| | | |
| | | |
| Final approved budget | \$ | 358,646 |

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix C for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Board of Examiners of Nursing Facility Administrators may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2009, consisted of the following:

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2009

| | <u>Cash</u> | <u>Nonnegotiable Certificates of Deposit</u> | <u>Other (Describe)</u> | <u>Total</u> |
|--|-------------|--|-----------------------------|---------------|
| Balance per agency books (Balance Sheet) | \$ 161,619 | \$ | \$ | \$ 161,619.00 |
| Deposits in bank accounts per bank | \$ 188,368 | \$ | \$ | \$ 188,368.00 |
| Bank balances of deposits exposed to custodial credit risk: | | | | |
| a. Deposits not insured and uncollateralized | \$ | \$ | \$ | \$ - |
| b. Deposits not insured and collateralized with securities held by the pledging institution. | \$ | \$ | \$ | \$ - |
| c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name. | \$ | \$ | \$ | \$ - |

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

| <u>Banking Institution</u> | <u>Program</u> | <u>Amount</u> |
|----------------------------|-----------------|---------------|
| 1. <u>Hancock Bank</u> | <u>Checking</u> | \$ 188,368 |
| 2. _____ | _____ | _____ |
| 3. _____ | _____ | _____ |
| 4. _____ | _____ | _____ |
| Total | | \$ 188,368 |

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

| | |
|------------------------|----------|
| Cash in State Treasury | \$ _____ |
| Petty cash | \$ 500 |

2. INVESTMENTS

The Louisiana Board of Examiners of Nursing Facility Administrators does not maintain investment accounts.

3. DERIVATIVES

The institution does not invest in derivatives as part of its investment policy.

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Notes to the Financial Statement
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D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

| | Year ended June 30, 2009 | | | | | | |
|---|--------------------------|--------------------------------------|---------------------|----------------------------|-------------------|-------------|-------------------|
| | Prior Period Adjustments | | | Adjusted Balance 6/30/2008 | Additions | Transfers* | Retirements |
| | Balance 6/30/2008 | Adj. after submitted to OSRAP (+or-) | Restatements (+or-) | | | | |
| Capital assets not being depreciated | | | | | | | |
| Land | \$ 27,300 | \$ | \$ | \$ 27,300 | \$ | \$ | \$ 27,300 |
| Non-depreciable land improvements | | | | - | | | - |
| Capitalized collections | | | | - | | | - |
| Construction in progress | | | | - | | | - |
| Total capital assets not being depreciated | <u>27,300</u> | <u>-</u> | <u>-</u> | <u>27,300</u> | <u>-</u> | <u>-</u> | <u>27,300</u> |
| Other capital assets | | | | | | | |
| Machinery and equipment | 7,877 | | | 7,877 | | | 7,877 |
| Less accumulated depreciation | (860) | | | (860) | (1,553) | | (2,413) |
| Total Machinery and equipment | <u>7,017</u> | <u>-</u> | <u>-</u> | <u>7,017</u> | <u>(1,553)</u> | <u>-</u> | <u>5,464</u> |
| Buildings and improvements | 154,697 | | | 154,697 | | | 154,697 |
| Less accumulated depreciation | (12,967) | | | (12,967) | (3,967) | | (16,934) |
| Total buildings and improvements | <u>141,730</u> | <u>-</u> | <u>-</u> | <u>141,730</u> | <u>(3,967)</u> | <u>-</u> | <u>137,763</u> |
| Depreciable land improvements | | | | - | | | - |
| Less accumulated depreciation | | | | - | | | - |
| Total depreciable land improvements | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Infrastructure | | | | - | | | - |
| Less accumulated depreciation | | | | - | | | - |
| Total infrastructure | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other capital assets | <u>148,747</u> | <u>-</u> | <u>-</u> | <u>148,747</u> | <u>(5,520)</u> | <u>-</u> | <u>143,227</u> |
| Capital Asset Summary: | | | | | | | |
| Capital assets not being depreciated | 27,300 | - | - | 27,300 | - | - | 27,300 |
| Other capital assets, at cost | 162,574 | - | - | 162,574 | - | - | 162,574 |
| Total cost of capital assets | <u>189,874</u> | <u>-</u> | <u>-</u> | <u>189,874</u> | <u>-</u> | <u>-</u> | <u>189,874</u> |
| Less accumulated depreciation | <u>(13,827)</u> | <u>-</u> | <u>-</u> | <u>(13,827)</u> | <u>(5,520)</u> | <u>-</u> | <u>(19,347)</u> |
| Capital assets, net | <u>\$ 176,047</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 176,047</u> | <u>\$ (5,520)</u> | <u>\$ -</u> | <u>\$ 170,527</u> |

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

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E. INVENTORIES

The Louisiana Board of Examiners of Nursing Facility Administrators has no inventory.

F. RESTRICTED ASSETS

The Louisiana Board of Examiners of Nursing Facility Administrators has no restricted assets.

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Board of Examiners of Nursing Facility Administrators has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours and unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2009 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be none. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana Board of Examiners of Nursing Facility Administrators are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. **(Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)**

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All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2009, decreased / increased to 18.4% of annual covered payroll from the 20.4% and 20.4% required in fiscal years ended June 30, 2008 and 2007 respectively. The Louisiana Board of Examiners of Nursing Facility Administrators contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$33,417, \$29,601, and \$23,577, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

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1. Calculation of Net OPEB Obligation

(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)

| Fiscal year ending | 6/30/2009 |
|--|-----------|
| 1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report) | \$72,200 |
| 2. *NOO, beginning of year (see <i>OPEB Liability Spreadsheet of FYE 6/30/08</i> on OSRAP's website) | 86,600 |
| 3. Amortization factor | 26.17 |
| 4. Interest on NOO (4% x 2.) | 3,464 |
| 5. ARC adjustment (2./3.) | 3,309 |
| 6. Annual OPEB expense (1. + 4. - 5.) | 72,355 |
| 7. Contributions (payments to OGB for retiree's cost of group insurance 2009 premiums) | - |
| 8. Adjustment to OGB billings for retirees' Insurance 2009 premiums | - |
| 9. **NOO, end of year (2. + 6. - 7 +or-8.) | \$158,955 |

* This must be obtained from the OSRAP website on the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008"

**This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2009 if your entity's only OPEB is administered by OGB.

For more information on calculating the annual OPEB expense and the net OPEB obligation, see page two of the OPEB actuarial valuation report on OSRAP's website www.doa.louisiana.gov/osrap/index.htm, select "AFR packets", then scroll down and select "GASB 45 OPEB Valuation Report as of July 1, 2008, to be used for fiscal year ending June 30, 2009". Also, see Appendix D in the back of this packet.

2. Note Disclosures

If your only OPEB provider is OGB, your entity will have no OPEB note disclosures for OSRAP other than the OPEB calculation above.

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

The Louisiana Board of Examiners of Nursing Facility Administrators had no leases.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009:

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LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
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(Balances at June 30th should include current and non-current portion of long-term liabilities.)

| | <u>Year ended June 30, 2009</u> | | | | |
|---------------------------------|---------------------------------|-------------------|------------------|-----------------------------|-----------------------------------|
| | Balance June 30, 2008 | Additions | Reductions | Balance June 30, 2009 | Amounts due within one year |
| Notes and bonds payable: | | | | | |
| Notes payable | \$ 27,839 | \$ | \$ 24,231 | \$ 3,608 | \$ 3,608 |
| Bonds payable | | | | -- | |
| Total notes and bonds | <u>27,839</u> | <u>--</u> | <u>24,231</u> | <u>3,608</u> | <u>3,608</u> |
| Other liabilities: | | | | | |
| Contracts payable | | | | -- | |
| Compensated absences payable | 8,918 | 4,449 | | 13,367 | |
| Capital lease obligations | | | | -- | |
| Claims and litigation | | | | -- | |
| OPEB payable | | 158,955 | | 158,955 | |
| Other long-term liabilities | | | | -- | |
| Total other liabilities | <u>8,918</u> | <u>163,404</u> | <u>--</u> | <u>172,322</u> | <u>--</u> |
| Total long-term liabilities | <u>\$ 36,757</u> | <u>\$ 163,404</u> | <u>\$ 24,231</u> | <u>\$ 175,930</u> | <u>\$ 3,608</u> |

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES

The Louisiana Board of Examiners of Nursing Facility Administrators had no contingent liabilities.

M. RELATED PARTY TRANSACTIONS

The Louisiana Board of Examiners of Nursing Facility Administrators had no related party transactions. ____

N. ACCOUNTING CHANGES

There were no accounting changes made during the year.

O. IN-KIND CONTRIBUTIONS

There were no in-kind contributions.

P. DEFEASED ISSUES

There were no defeased issues.

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

There were no revenues pledged or sold.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

There were no government-mandated nonexchange transactions.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At June 30, 2009, the Louisiana Board of Examiners of Nursing Facility Administrators had no violations of finance-related or contractual provisions.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2009

T. SHORT-TERM DEBT

The Louisiana Board of Examiners of Nursing Facility Administrators had no short-term debt.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2009, were as follows:

| Fund (gen. fund, gas tax fund, etc.) | Customer Receivables | Taxes | Receivables from other Governments | Other Receivables | Total Receivables |
|---|-------------------------|-------|--|----------------------|----------------------|
| General fund | \$ | \$ | \$ 24,448.00 | \$ 350.00 | \$ 24,798.00 |
| | | | | | - |
| Gross receivables | \$ - | \$ - | \$ - | \$ - | \$ - |
| Less allowance for uncollectible accounts | - | - | - | - | - |
| Receivables, net | \$ - | \$ - | \$ - | \$ - | \$ - |
| Amounts not scheduled for collection during the subsequent year | \$ | \$ | \$ | \$ | \$ - |

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2009, were as follows:

| Fund | Vendors | Salaries and Benefits | Accrued Interest | Other Payables | Total Payables |
|----------------|----------|-----------------------------|---------------------|-------------------|-------------------|
| General | \$ 5,498 | \$ 4,043 | \$ | \$ | \$ 9,541 |
| | | | | | - |
| Total payables | \$ 5,498 | \$ 4,043 | \$ - | \$ - | \$ 9,541 |

W. SUBSEQUENT EVENTS

There were no subsequent events.

X. SEGMENT INFORMATION

There was no segment information to report.

Y. DUE TO/DUE FROM AND TRANSFERS

There were no due to/due from and transfers.

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Notes to the Financial Statement
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Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

There were no liabilities payable from restricted assets in the Louisiana Board of Examiners of Nursing Facility Administrators at June 30, 2009.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2009.

| Ending net assets 6/30/08 as reported to OSRAP on PY AFR | *Adjustments to end net assets 6/30/08 (after AFR was submitted to OSRAP) + or (-) | Restatements (Adjustments to beg. Balance 7/1/08) + or (-) | Beg net assets @ 7/1/08 as restated |
|--|---|---|---|
| \$ 59,843 | \$ | \$ (86,600) | \$ (26,757) |
| | | .. | .. |
| | | .. | .. |
| | | .. | .. |
| | | .. | .. |

The OPEB liability of \$86,600 was not recorded for the fiscal year ended June 30, 2009. Therefore, a prior period adjustment for this amount was recorded at June 30, 2009.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

There were no net assets restricted by enabling legislation at June 30, 2009.

DD. EMPLOYEE TERMINATION BENEFITS

There were no termination benefits.

EE. POLLUTION REMEDIATION OBLIGATIONS (BTA)

There was no pollution remediation obligations.

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SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2009

| Name | Amount |
|--------------------------------|----------------------------|
| <u>Ray Naquin</u> | <u>\$ 600</u> |
| <u>Martin Stott</u> | <u>300</u> |
| <u>Christopher Kemp Wright</u> | <u>375</u> |
| <u>Dr. Betty Dennis</u> | <u>150</u> |
| <u>Wayne Plaisance</u> | <u>150</u> |
| <u>Ronald Goux</u> | <u>300</u> |
| <u>Dr. Susan Nelson</u> | <u>225</u> |
| <u>Patricia Labrosse</u> | <u>75</u> |
| <u>Teddy Ray Price</u> | <u>150</u> |
| <u>Earl Thibodaux</u> | <u>225</u> |
| <u>Ed Smith</u> | <u>150</u> |
| Total | \$ <u><u>2,700</u></u> |

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

STATE OF LOUISIANA

LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

| | <u>2009</u> | <u>2008</u> | <u>Difference</u> | <u>Percentage Change</u> |
|-------------------|-------------|-------------|-------------------|------------------------------|
| 1) Revenues | \$ 490,961 | \$ 351,883 | \$ 139,078 | \$ 40% |
| Expenses | 481,410 | 369,368 | 112,042 | 30% |
| 2) Capital assets | 170,527 | 176,047 | (5,520) | (3%) |
| Long-term debt | 172,322 | 15,945 | 156,377 | 981% |
| Net Assets | (16,907) | 59,843 | (76,750) | (128%) |

Explanation for change: _____

LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Finding 2009-01 Budget

Condition

Actual expenditures for the year exceeded budgeted amounts by 58%.

Criteria:

The actual expenditure in any of the funds should not exceed the estimated budgeted expenditures by more than 10% per category and 5% or more in total.

Cause:

There were two categories that exceeded the 10% criteria of the budget laws. One of the categories was the reporting requirements of GASB 45 required the recording of a liability and corresponding expense for other postretirement benefits (OPEB) to the financial statements. The client was not aware of the OPEB obligation and did not include this expenditure in their budget.

The other category was salaries and related benefits. Actual expenses exceeded budgeted expenditures by 32%.

Effect:

Failure to amend budgets to recognize anticipated shortfalls in funds prevents the governmental body from effectively control project and/or services with actual available resources.

Recommendation:

The budget should be monitored by management comparing the expenditures to the budgeted amounts. Amendments should be made as they become necessary.

Corrective Action Plan:

The Board will modify procedures to monitor that actual expenditures do not exceed budgeted expenditures. The board will also include the OPEB obligation in the amended budget for the future years. These procedures will assist the Board to prepare amendments to the budget as they become necessary.

LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAAL)- Entry Age (b) | Unfunded AAL (UAAL) (b - a) | Funded Ratio (a/b) | Covered Payroll Covered (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|--------------------------------------|--------------------------|--|---|
| 06/30/08 | \$0 | 900,900 | 900,900 | 0% | 153,300 | 587.67% |
| 06/30/09 | \$0 | 469,100 | 469,100 | 0% | 153,300 | 306.00% |